

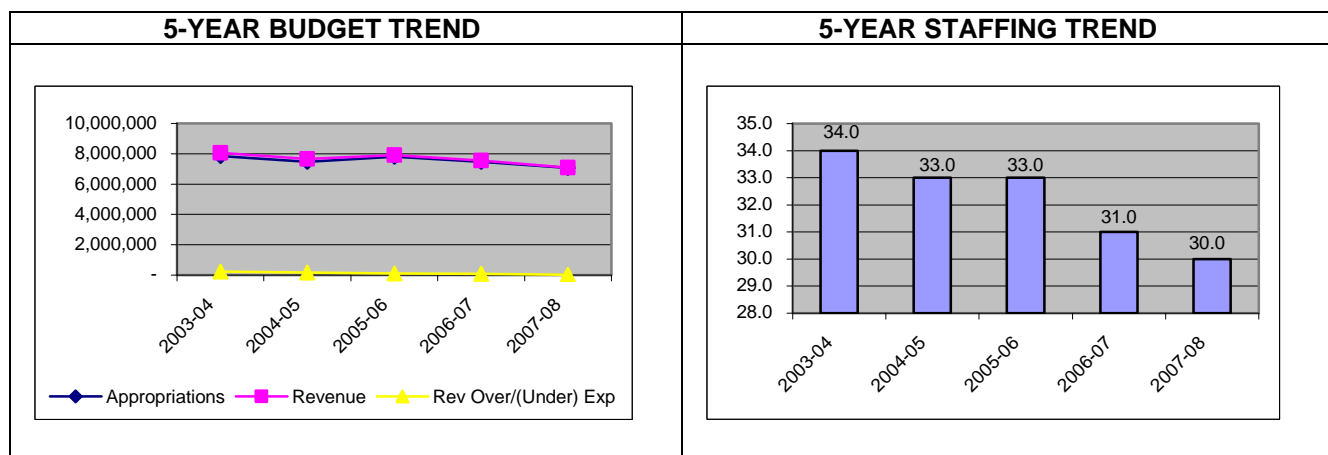
Mail/Courier Services

DESCRIPTION OF MAJOR SERVICES

Mail/Courier Services provides interoffice, U.S. Postal, and courier service to agencies, departments, and special districts within the county. The division's main goal is to deliver each piece of mail in a timely and accurate manner.

The Purchasing Department's Mail/Courier Services budget unit is an Internal Service Fund (ISF). As an ISF, any unrestricted net assets available at the end of a fiscal year are carried over to the next fiscal year and are used as working capital and for replacement of fixed assets. Any excess or shortage is incorporated into the rate structure.

BUDGET HISTORY



PERFORMANCE HISTORY

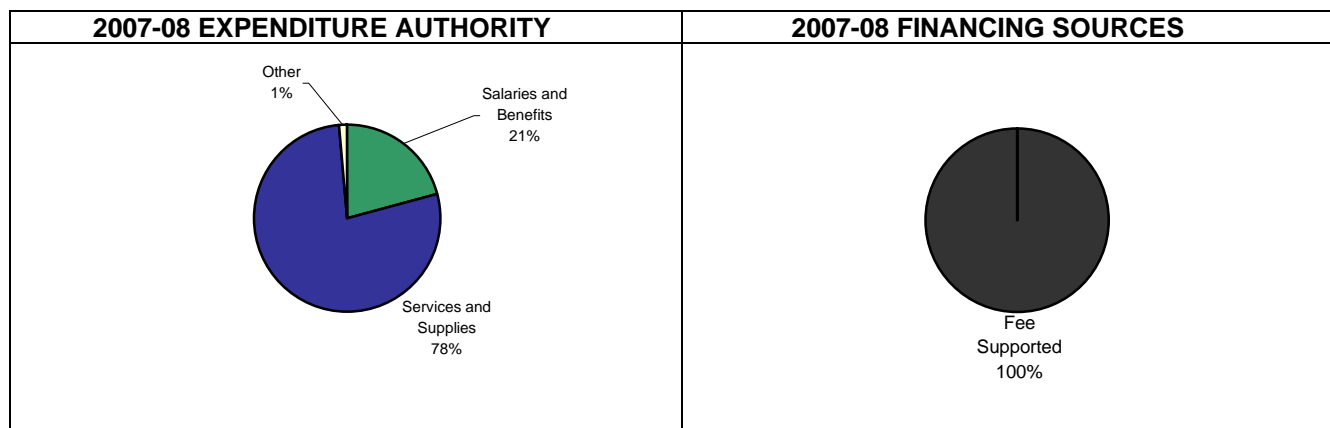
	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Estimate
Appropriation	7,597,199	7,473,474	6,885,767	7,463,766	6,669,547
Departmental Revenue	8,030,748	7,902,243	6,897,044	7,548,000	6,501,335
Revenue Over/(Under) Exp	433,549	428,769	11,277	84,234	(168,212)
Budgeted Staffing				31.0	
Fixed Assets	15,734	65,803	30,790	27,000	20,000
Unrestricted Net Assets Available at Year End	927,857	1,280,274.00	1,248,812		1,062,105

Appropriation and departmental revenue in 2006-07 are below budget due to an anticipated increase in postage not materializing and continued automation and outsourcing from county departments involved in the Human Services System C-IV Program.

Per the June 30, 2006 Report of Operations prepared by the Auditor/Controller-Recorder, the working capital requirements for this fund is \$1,248,812. On February 27, 2007, the Board of Supervisors approved rate adjustments for the presort and inter-office mail cost rates. In 2006-07, the department addressed the estimated revenue shortage of \$168,212 in the inter-office mail program through a rate study conducted by the Auditor/Controller-Recorder that recommended increases in both the interoffice mail and presort cost centers. On February 27, 2007, the Board of Supervisors approved rate adjustments for both the presort and inter-office mail cost centers. Increases in both cost centers will enable Mail/Courier Services to maintain two months worth of operating expenses in order to fully fund their working capital reserve.



ANALYSIS OF PROPOSED BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Purchasing
FUND: Mail Courier Services

BUDGET UNIT: IAY PUR
FUNCTION: General
ACTIVITY: Mail & Courier Services

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Estimate	2006-07 Final Budget	2007-08 Proposed Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	1,148,888	1,137,213	1,275,352	1,386,530	1,498,250	1,478,335	(19,915)
Services and Supplies	6,396,250	6,259,757	5,523,200	5,187,566	5,840,177	5,503,279	(336,898)
Central Computer	2,278	4,209	4,898	5,596	5,596	8,613	3,017
Other Charges	1,705	3,484	2,518	2,000	2,000	1,117	(883)
Transfers	48,078	68,811	79,799	52,684	82,572	52,398	(30,174)
Total Appropriation	7,597,199	7,473,474	6,885,767	6,634,376	7,428,595	7,043,742	(384,853)
Depreciation	-	-	-	35,171	35,171	24,013	(11,158)
Total Requirements	7,597,199	7,473,474	6,885,767	6,669,547	7,463,766	7,067,755	(396,011)
Departmental Revenue							
Current Services	8,030,648	7,902,243	6,897,044	6,501,335	7,548,000	7,093,188	(454,812)
Other Revenue	100	-	-	-	-	-	-
Total Revenue	8,030,748	7,902,243	6,897,044	6,501,335	7,548,000	7,093,188	(454,812)
Rev Over/(Under) Exp	433,549	428,769	11,277	(168,212)	84,234	25,433	(58,801)
Budgeted Staffing					31.0	30.0	(1.0)
Fixed Assets							
Equipment	-	33,657	7,536	-	7,000	22,000	15,000
L/P Equipment	15,734	32,146	23,254	20,000	20,000	24,654	4,654
Total Fixed Assets	15,734	65,803	30,790	20,000	27,000	46,654	19,654

Salaries and Benefits of \$1,478,335 fund 30.0 positions and are decreasing by \$19,915. Included in the 2007-08 budget, is \$22,000 for three proposed equity increases, which include 1.0 Mail Services Supervisor II and 2.0 Mail Services Supervisor I positions. The cost of the equity increases are offset by the deletion of 1.0 Mail Processor II position. The department will present an agenda item to the Board of Supervisors requesting approval for the equity adjustments at a later date.

Services and supplies of \$5,503,279 include general office expenses, postage costs, COWCAP charges, presort and barcode services, equipment maintenance, and vehicle charges. The decrease of \$336,898 is due to an anticipated postal rate increase that did not materialize in 2006-07



Other charges of \$1,117 represent interest payments on the fourth-year of a five-year lease-purchase of non-intelligent inserters.

Transfers of \$52,398 represent reimbursement to the Purchasing Department of \$44,420 for administrative support, and mandated EHAP charges.

Charges for current services of \$7,093,188 include revenue from mail and courier services. The \$454,812 decrease is a result of budgeting revenue based on past trends.

Equipment is budgeted at \$22,000 for the purchase of two postage meters needed to comply with new United States Postal Service technology standards.

Lease-purchase equipment of \$24,654 represents principal only payments on the fourth-year of a five-year lease purchase of non-intelligent inserters.

